GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5289
ANSWERED ON:22.12.2000
NBFC COMPANIES
BALIRAM;JAI PRAKASH

Will the Minister of FINANCE be pleased to state:

(a) the number of non-banking financial companies operating in Uttar Pradesh, Uttaranchal and Delhi;

(b) the number of persons who have deposited their money in these non-banking financial companies during the last three years, alongwith the amount deposited by them;

(c) the number of companies out of the said companies which disappeared with the deposited amount and this amount was not invested in the above States;

(d) the action taken by the Government against such non-banking companies; and

(e) the measures taken to prevent recurrence of such incidents?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : The Reserve Bank of India (RBI) has reported that the number of Non Banking Financial Companies (NBFCs) which have applied for grant of Certificate of Registration as follows:

i)	New Delhi	7113
ii)	Uttar Pradesh	1403
iii)	Uttaranchal	72

(b) : As per the Annual returns submitted to the RBI by the reporting NBFCs coming under the jurisdiction of New Delhi Regional Office, there were about 354694 deposit accounts with an aggregate public deposits of Rs.526.81 crores outstanding as on 31st March, 1999. Such information in respect of Uttar Pradesh and Uttaranchal is not available with RBI.

(c) The data reporting system of RBI does not generate this information.

(d)&(e) : Complaints have been received from depositors against some NBFCs who have failed to repay their deposits.RBI on receipt of complaints regarding default in repayment of deposits or on noticing other serious irregularities through inspections or otherwise, takes necessary action against the erring NBFCs like issue of Prohibitory Orders, restraining company from accepting deposits and alienating its assets, filing of winding up petitions and launching of criminal complaints. RBI has also appointed Special Officers to monitor the repayment of deposits in certain problematic companies.

Government has also introduced a new Bill in the Parliament. Provisions of the new Bill are expected to regulate these companies in a more effective manner and provide better protection to the depositors.